Before the FEDERAL COMMUNICATIONS COMMISSION Washington, D.C. 20554

In the Matter of)	
)	
Applications of Comcast Corp., Time Warner)	MB Docket No. 14-57
Cable Inc., Charter Communications, Inc., and)	
SpinCo for Consent to Assign or Transfer)	
Control of Licenses and Authorizations)	
)	

PETITION TO DENY OF WEATHERNATION TV, INC.

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PETITION TO DENY OF WEATHERNATION TV, INC.

I. INTRODUCTION AND SUMMARY

WeatherNation TV, Inc. ("WeatherNation") hereby submits its petition to deny the above-captioned applications whereby Comcast Corporation ("Comcast") seeks authority to acquire control over Time Warner Cable Inc. ("Time Warner Cable"). Under the relevant statutory standard, the Commission may only grant these applications if it can make an affirmative finding "that the public interest, convenience, and necessity will be served" by approval. But this transaction would harm rather than serve the public interest. The merger would give Comcast the power to pronounce a death sentence against WeatherNation in its almost unfettered discretion. There are strong indications of an already existing inclination to harm competition in the space of meteorological programming, as Comcast's affiliate, The Weather Company, parent of The Weather Channel (The Weather Company, together with all of its subsidiaries, "The Weather Channel"), has previously appeared to try to drive WeatherNation out of business.

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¹ See Applications of Comcast Corp. and Time Warner Cable Inc. for Consent to Transfer Control of Licenses and Authorizations, Applications and Public Interest Statement, MB Docket No. 14-57 (Apr. 8, 2014) ("Application").

² 47 U.S.C. § 310(d).

WeatherNation is a party in interest for the purposes of Section 309(d) of the Communications of 1934, as amended.³ WeatherNation is a cable and online programmer whose existence and livelihood depends entirely on multichannel video program distributors ("MVPDs") and broadband access providers (Internet Service Providers or "ISPs"). Both applicants, of course, are both MVPDs and ISPs.

At the same time, both applicants, and particularly Comcast, control substantial programming assets. Particularly relevant to WeatherNation, Comcast's NBCUniversal ("NBCU") subsidiary has a 25 percent interest in The Weather Channel,⁴ the incumbent in the area of meteorological programming. The Weather Channel is both WeatherNation's chief competitor and the meteorological programming industry's key supplier of video graphics and data feeds.

The proposed merger would give the combined company too much power, as the new Comcast would have almost 30 million video customers, and approximately 28 million broadband subscribers.⁵ It would substantially increase The Weather Channel's ability to damage WeatherNation and the competition between meteorological programming services. It would enlarge the scope for anticompetitive conduct that could not be adequately policed under the applicants' proposed conditions or the Commission's existing rules.

The merger would specifically allow Comcast and The Weather Channel to foreclose both local and national carriage on the merged entity's cable systems; it would also permit

³ 47 U.S.C. § 309(d).

 $^{^4}$ See The Weather Channel, LLC, File No. SES-T/C-20080711-00929, Exhibit A20 (July 11, 2008).

⁵ *See* Letter from Kathryn Zachem, Comcast Corporation, Catherine Bohigian, Charter Communications, Inc., and Steven Teplitz, Time Warner Cable Inc., to Marlene Dortch, FCC, MB Docket No. 14-57, at 2 (June 27, 2014).

Comcast and The Weather Channel to interfere with the online access of the merged entity's broadband subscribers to WeatherNation. Because meteorological online video providers such as WeatherNation need broad national penetration to be viable, such interference would likely mount a fatal blow for WeatherNation's service. The Weather Channel's recent conduct betokens an incentive to inflict damage on WeatherNation and on competition: in 2013, The Weather Channel sought an astonishingly unreasonable 5,750% effective increase in the fees it charged for WeatherNation to access critical data feeds and an unprecedented formula change from a flat amount to a per subscriber fee, forcing WeatherNation to turn to an alternative data supplier. This pattern will only grow worse if Comcast is allowed to acquire the additional distribution power of Time Warner Cable.

Neither the conditions the applicants propose nor the Commission's existing rules appear adequate to avert these risks. The net neutrality commitments to which the applicants have declared themselves willing to submit do not appear to extend to interconnection through Comcast's and Time Warner Cable's ports, which is as necessary to online programmers as the last mile of broadband access itself. For their part, the program carriage rules do not appear adequate either: not one independent programmer has been vindicated by the rules, ⁶ and discrimination in favor of an affiliated programmer against a competing independent programmer is easy to cloak, for example by agreeing to pay one's own affiliated programmer artificially low rates.

For these reasons, the Commission should deny the applications. In the alternative, if the Commission were to approve the proposed transaction, it should condition that approval on a

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⁶ See Jonathan E. Nuechterlein and Philip J. Weiser, Digital Crossroads: Telecommunications Law and Policy in the Internet Age 358 (2013); *Comcast Cable Communications, LLC v. FCC*, 717 F.3d 982 (D.C. Cir. 2013).

number of conditions, including, among many others, a clarification of the program carriage rules for meteorological programming. The Commission should specifically clarify that non-discriminatory treatment means carriage in the same neighborhood and same penetration tier as The Weather Channel . The Commission should also clarify that non-discriminatory carriage means terms no more onerous than the terms on which The Weather Channel is carried by distributors unaffiliated with the combined entity. And the Commission should clarify that the combined entity's net neutrality nondiscrimination obligations extend to interconnection and managed services.

II. COMCAST'S AFFILIATES HAVE DEMONSTRATED AN APPARENT INCLINATION TO DAMAGE COMPETITION

WeatherNation is an innovative, independent weather news provider delivering advanced meteorological programming through its video television channel, its online over-the-top ("OTT") service, and mobile applications. WeatherNation's linear video channel is a 24-hour-a-day, 7-days-a-week, 365-days-a-year service with continuous coverage of national, regional, local, and severe weather around the country. The network is now available to viewers through DIRECTV, as well as through the multicast digital signals of local broadcast stations in over 20 cities, including Boston, Minneapolis, Washington, D.C., Denver, and Atlanta.

Since its launch in 2011, WeatherNation has constantly sought new ways to provide its viewers new and helpful means of accessing weather forecasts and news that meet the information and public safety needs of each community it serves. In addition to its linear programming, WeatherNation provides an OTT service with live streaming, video-on-demand, and specific local weather data on connected smart devices from a variety of equipment manufacturers, including Samsung, LG, Roku, Sony, and Microsoft. WeatherNation also offers

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⁷ A full description of WeatherNation's service offerings is attached to this petition.

an interactive weather service providing immediate access to expanded local, regional, and national weather.

The Weather Channel is WeatherNation's chief competitor and was its key supplier. Established in 1982, The Weather Channel is the entrenched incumbent in meteorological programming by a wide margin. In fact, at 99.9 million subscribers,⁸ it has the largest subscriber base of any cable network. The network is owned by the Weather Company. The Weather Company is in turn co-owned by Comcast's subsidiary NBCU, which has a 25 percent stake, and two investment firms.

The Weather Channel also owns the online weather services Weather Underground and Intellicast, which compete against WeatherNation's digital services. And it owns the weather data and software company Weather Services International ("WSI"). Among other things, WSI is the leading supplier of weather video graphics and data feeds to video and digital weather services, a position it firmly cemented with its acquisition of Weather Central in 2012. Since 2011, WeatherNation had relied for key portions of its meteorological data on a feed purchased from Weather Central for a monthly fee. But late last year, after Weather Central had been taken over by The Weather Channel, WeatherNation found out the extent to which Comcast, The Weather Channel and their affiliated companies would appear willing to go to protect The Weather Channel from competition.

In the fall of 2013, DIRECTV approached WeatherNation about the potential to contract for WeatherNation's service as a full-time weather service on DIRECTV's satellite television service. On October 29, 2013, as the negotiations were underway, The Weather Channel's

⁸ *See* Robert Seidman, List of How Many Homes Each Cable Network Is In – Cable Network Coverage Estimates As Of August 2013, zap2it (Aug. 23, 2013), *available at* http://tvbythenumbers.zap2it.com/2013/08/23/list-of-how-many-homes-each-cable-networks-is-in-cable-network-coverage-estimates-as-of-august-2013/199072/.

affiliate WSI sent WeatherNation an email indicating that it wanted a new agreement with Weather Nation. WSI was seeking to convert the fee formula from a fixed monthly fee to a rate per subscriber per month. What is more, it asked for a per subscriber, per month rate that was more than double the amount WeatherNation was seeking from DIRECTV. During the same period, The Weather Channel, too, was negotiating the renewal of its own carriage agreement with DIRECTV. On December 16, 2013, WeatherNation debuted on DIRECTV, positioned right next to The Weather Channel on DIRECTV's programming guide. But the very next day, on December 17, 2013, The Weather Channel (through WSI) engaged in what seemed an attempt to use its leverage over a critical input to stifle the new competition. It sent WeatherNation what amounted to a take-it-or-leave-it, non-negotiable draft of an agreement. While WSI backed down off its initial October ask, the draft demanded a rate that would effectively be 57.5 times the rate applicable under the previous agreement. That increase would have driven Weather Nation out of business. Weather Nation was forced into seeking an alternative source, an arduous task in light on The Weather Channel's dominance in the meteorological data feed market. WeatherNation was eventually able to find such an alternative source, avoiding its demise. Without such a source, WeatherNation would have been dropped by both DIRECTV and its broadcast partners, as it would be utterly unable to provide critical weather forecasts.

But The Weather Channel's attacks on WeatherNation did not stop there. In January 2014, The Weather Channel's negotiations with DIRECTV hit an impasse, forcing The Weather Channel off the air. And that is when the public attacks on WeatherNation began. On January 14, 2014, Weather Company Chairman and CEO David Kenny released a statement calling WeatherNation "a cheap startup that does weather forecasting on a three-hour taped loop, has no

field coverage, no weather experts ..." This statement had no basis in fact; it was merely intended to discredit the first viable threat to The Weather Channel's dominance. The Weather Channel seemed to leverage all means at its disposal to assault DIRECTV's support of a viable, competitive service, attacking WeatherNation with full-page ads in the New York Times, Los Angeles Times, Washington Post, and Wall Street Journal.

Eventually, The Weather Channel and DIRECTV would come to a carriage agreement. The agreement appears to have given WeatherNation a respite from The Weather Channel's barrage of invective, but this history remains cause for grave concern for WeatherNation.

III. THE MERGER WOULD ENHANCE THE ABILITY OF THE WEATHER CHANNEL AND COMCAST TO ACT ANTICOMPETITIVELY

The proposed merger would put at the disposal of Comcast an expanded toolkit that would place WeatherNation's survival at risk. The reason is plain. Comcast would be able to withhold the linear channel's access to about 30 million households, even if many of these households would favor WeatherNation over The Weather Channel. Comcast could refuse to enter into retransmission agreements with local broadcast stations carrying WeatherNation as a multicast feed, in Time Warner Cable's franchise areas as well as in Comcast's current areas. Comcast would also be able to foreclose or hamper the access of approximately 28 million households to WeatherNation's online content. All of these phenomena would be made worse by the proposed merger because the transaction would add significantly to Comcast's distribution power.

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⁹ See Jason Samenow, Weather wars: DirecTV drops Weather Channel, AccuWeather to add channel, Capital Weather Gang, http://www.washingtonpost.com/blogs/capital-weather-gang/wp/2014/03/10/the-future-of-weathernation-interview-with-president-michael-norton/(Mar. 10, 2014).

A. The Enlarged Comcast Will Be Better Able to Discriminate in Favor of The Weather Channel

As a fairly new independent programmer seeking to gain carriage on a broader scale, WeatherNation is vulnerable to the ability of large MVPDs to exert their bargaining power, and the incentive of vertically integrated MVPDs like Comcast to favor their own programming. The merger of Comcast and Time Warner Cable would substantially increase the combined company's ability to discriminate in favor of The Weather Channel simply by withholding carriage. Indeed, Comcast has repeatedly declined to even meet with WeatherNation to discuss carriage since it acquired NBCU and its stake in The Weather Channel.

The Commission has already determined that Comcast has the incentive and ability to discriminate against unaffiliated programming to benefit its own networks.¹⁰ This is why the Commission imposed conditions to limit the potential harms posed by the merger of Comcast and NBCU.¹¹ The proposed merger would greatly exacerbate this problem. It would increase Comcast's MVPD subscriber base by nearly a third. No one linear national programming network can survive without access to 30 million households, let alone a specialized new entrant such as WeatherNation. Indeed, a specialized new entrant has to make do with a small carriage fee – a fee much smaller than the fee commanded by an incumbent programmer. This makes the number of subscribers that the new entrant can access that much more critical.

B. The Merger Would Endanger Multicast Carriage for WeatherNation

WeatherNation's effort to gain viewers by being carried as a multicast stream would be at much greater risk post-merger. Multicast streams do not have must-carry rights, and therefore multicasting broadcast stations must obtain retransmission agreements with MVPDs. This need

¹⁰ Applications of Comcast Corporation, General Electric Company and NBCUniversal, Inc., *Memorandum Opinion and Order*, 26 FCC Rcd. 4238, 4284-87 ¶¶ 116-19 (2011).

¹¹ *Id.* at 4287 ¶ 121.

is especially relevant for stations that are not network affiliates and therefore do not command the same power as network stations in retransmission negotiations. This creates a double threat for WeatherNation. First, Comcast could refrain from reaching retransmission agreements with broadcast stations or could demand onerous terms for retransmission. Second, some broadcast stations would likely be reluctant to reach a multicast agreement with WeatherNation for fear that carriage of WeatherNation's feed would prejudice them in an attempt to achieve a retransmission agreement with Comcast. Indeed, nothing would stop Comcast from conditioning retransmission agreements upon the inclusion of The Weather Channel instead of WeatherStation in multicast feeds throughout Time Warner Cable as well as Comcast franchise areas. Comcast's bottleneck is especially debilitating since Comcast typically enjoys an approximately 60% market share in its local markets. The increased concentration of the postmerger Comcast in such key markets as New York City, Los Angeles, Chicago, Dallas, and others, particularly with the addition of Charter Cable subscribers in those areas, means that Comcast would have even greater leverage to make demands in retransmission negotiations with local broadcasters to deny WeatherNation distribution.

C. The Enlarged Comcast Will Be Able to Degrade WeatherNation's Digital OTT and Web-Based Services

WeatherNation's high-quality video streaming and interactive services simply are not viable without the critical inputs of high-speed Internet access. The transaction will allow Comcast to hamper the access of another 7 million broadband subscribers, for a total of 28 million broadband subscribers, to services that compete with those if its own affiliate, The Weather Channel. It can achieve this in a number of ways. First, it can include The Weather Channel, but not WeatherNation, in a "managed services" offering. In addition, Comcast can use the interconnection points between it and a Content Delivery Network to disadvantage a

competitive content provider either by manipulating capacity to degrade the service at the interconnection point or charging unreasonable rates to prevent such degradation. The recent experience of Netflix is instructive in this regard. In Netflix's words:

Comcast is limiting the capacity of connections between its network and other networks, unless the network agrees to pay Comcast for access. This congestion causes delays when traffic enters Comcast's network through the settlement-free connections. Consumers experience these delays as slow page loads, poor streaming quality, and frequent streaming pauses.¹²

As the Wall Street Journal reported, Netflix agreed to pay Comcast for access because it "didn't want streaming speeds to further deteriorate and become a bigger problem for customers." Netflix survived that episode. But no online company could survive the withholding of access to 28 million households, and certainly not a specialized provider such as WeatherNation.

IV. EXISTING RULES AND PROPOSED CONDITIONS ARE INADEQUATE TO ADDRESS THE POTENTIAL HARMS

WeatherNation is certainly vulnerable to the anticompetitive actions of Comcast and its affiliates now. But the transaction will vastly increase the risk. And neither the conditions the applicants have proposed not the Commission's rules will remedy the potential harms. For example, the Open Internet condition proposed by the applicants, and indeed touted by them in newspaper advertisements, would not cover either managed services or interconnection with the ISP's network. Similarly, the program carriage protections of the Communications Act and the Commission's rules afford little comfort. ¹⁴ No programmer has ever been conclusively

¹² Letter from Christopher Libertelli, Netflix, Inc., to Senator Al Franken 1 (Apr. 23, 2014), *available at* http://www.franken.senate.gov/files/letter/140424NetflixResponse.pdf.

 $^{^{\}rm 13}$ Shalini Ramachandran, Netflix to Pay Comcast for Smoother Streaming, Wall St. J. (Feb. 23, 2014), available at

http://online.wsj.com/news/articles/SB10001424052702304834704579401071892041790?cb=logged0.3259670071382926

¹⁴ See 47 U.S.C. § 536.

vindicated through the program carriage process. The prospect of incurring the cost of a carriage proceeding with historical chances of success at exactly zero is both unattractive and unaffordable for an independent programmer. Moreover, Comcast could discriminate in subtle ways that make the discrimination very hard to show. Finally, no Commission rule would restrict the strategic anticompetitive use of meteorological data feeds by WSI.

The Commission should therefore deny its authority for the proposed merger. But if the Commission were to approve the merger despite its grave risks, it should clarify, among many other things, that:

- Online non-discrimination obligations extend to interconnection and managed services;
- Non-discriminatory carriage for meteorological programming means carriage in the same penetration tier and neighborhood as The Weather Channel; and
- Non-discriminatory carriage means carriage on no more onerous terms than those The Weather Channel receives, not only from Comcast (because those terms can be easily manipulated and the rates made artificially low), but also from at least two other independent distributors.

Finally, the Commission should condition any such approval on the divestiture of Comcast's stake in the Weather Company.

V. CONCLUSION

For the foregoing reasons, WeatherNation respectfully requests that the Commission deny the applications for the proposed transaction.

Respectfully submitted,

/s/

Michael Norton

President

WeatherNation TV, Inc.

August 25, 2014

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DECLARATION

I declare under penalty of perjury that the facts contained within the foregoing Petition to

Deny are true and correct to the best of my information, knowledge, and belief.

Executed on August 25, 2014.

Michael Norton

President

WeatherNation TV, Inc.

CERTIFICATE OF SERVICE

I hereby certify that, on this 25th day of August 2014, I caused a copy of the foregoing Petition to Deny of WeatherNation TV, Inc. to be filed electronically with the Commission using the Electronic Comment Filing system and caused a copy of the foregoing to be served upon the following individuals by First Class Mail:

Matthew A. Brill LATHAM & WATKINS LLP 555 11th Street, NW, Suite 1000 Washington, DC 20004 Counsel for Time Warner Cable Inc. Francis M. Buono WILLKIE FARR & GALLAGHER LLP 1875 K Street, NW Washington, DC 20006 Counsel for Comcast Corp.

Samuel L. Feder
JENNER & BLOCK
1099 New York Ave., NW
Suite 900
Washington, DC 20001
Counsel for Charter Communications, Inc.

Sincerely,	
/s/	
Sarah Leggin	





About WeatherNation TV, Inc.

WeatherNation (WNTV) is a weather news provider delivering turnkey linear and digital solutions for media companies looking to engage viewers and drive revenue on air, online, over-the-top, and via mobile applications.

WNTV currently provides its television services to local broadcasters in 21 markets across the country reaching nearly 20 Million television households as well as providing its service nationally to more than 20 Million DirecTV subscribers on channel 361.

WNTV has also secured agreements and developed services for Original Equipment Providers (OEMs) such as Sony, Microsoft, Samsung, Roku, and LG as well as digital publishers such as Community Newspaper Holdings Inc with more than 115 daily & weekly publications across 23 states.





WeatherNation Components

Linear Cable Channel

A 24/7/365 linear channel with continuous coverage of national, regional, local and severe weather around the country.

Over The Top

A 24/7/365 complimentary weather service with live streaming, VOD, and specific local weather data (currents, short/long term outlooks, radar, and advisories) on connected smart devices from OEMs such as Samsung, LG, Roku, Sony, Microsoft and more.

Web

WNTV's web offering supports live streaming, VOD, and expanded weather data allowing users to interact with advanced maps and layers to customize their weather.

Mobile

WNTV offers both free and premium mobile weather apps across iOS and Android devices.

VOD

WNTV's VOD platform offers MPVDs desiring weather on demand assets a perfect opportunity to integrate segments for expanded coverage.

Interactive

For more advanced MPVDs desiring support of an iTV weather application, an interactive weather service providing immediate access to expanded local, regional, and national weather.





LINEAR CABLE CHANNEL WNTV provides quality 24/7 original content for affiliates tailored to their specific markets.

- ✓ Localized to each market (incorporates localized data and radar imagery)
- ✓ Local weather segments occur on the 5's every hour (:05, :15, :25, :35, :45, :55)
- ✓ National and Regional hosted weather integrates WNTV degreed, AMS certified meteorologists on-air with affiliates' local personalities for greater local engagement.
- ✓ Leverage the "Best Technology" for on air storytelling

Omni and Vipir Systems by Baron Services

2D and 3D maps which allow the meteorologist to "fly" into any location on earth and present 3D displays of severe weather systems developing

Ability to access multiple radar sites around the country for high res modeling

✓ In-Depth Severe Coverage with access to WNTV network of local affiliates offering expanded coverage as well as a network of professional chasers.





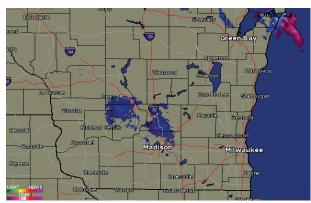
The format matters! Viewers want to be presented the weather on TV versus interpreting it for themselves which is why WNTV utilizes a traditional cable network format with weather presented by degreed, AMS certified meteorologists in a compelling manner versus cluttered L-bars or full-time radar loops.





The Competition









WeatherNation Digital provides quality 24/7 original content across a variety of platforms to engage consumers with **Over The Top**, **Online**, **Mobile**, **On Demand** and **Interactive** solutions.

- ✓ Over The Top leverages data, video, and geo-targeting to extend local broadcast affiliates reach, creating a truly unique consumer experience on connected devices from Sony, Samsung, LG, Microsoft, Roku, and many more.
- ✓ Mobile provides turn-key as well as customized, managed solutions to variety of clients looking to expand or enhance their mobile weather offerings.
- ✓ Online allows publishers to seamlessly integrate weather into their sites.
- ✓ Video On Demand allows clients to integrate video on demand weather segments across their platforms to drive incremental revenues.
- ✓ Interactive platform leverages flexible API sets to deliver customized data solutions to operators requiring integrated STB solutions.





Over The Top (OTT) WNTV's Over-the-Top deployments with major OEMs ultimately expand reach to engage a larger audience.

Expanded weather data, including current conditions, extended forecasts, radar, advisories/warnings

Live stream of national service plus regional and specialty on demand segments

Geo-targeted to permit local affiliates with unique opportunity to extend weather and news segments to connected platforms













Example of Microsoft XBOX



Example of Sony Playstation





Mobile will offer a truly differentiated product to viewers through a free to consumer application with in app premium services such as live video, push alerts, enhanced radar, and more.

Example of mobile with home, current, extended,















Online can support a wide variety of weather data and elements as part of a complimentary weather offering designed for delivery across all screens - PC, Mobile, and Tablet.





Video On Demand provides MPVDs video weather segments delivering coast to coast coverage of what's happening around the country by providing weather headlines, regional forecasts, specialty weather segments, and hosted locals.

Top Weather Stories

Regional Forecasts & City Casts

Specialty Segments - Climate, Seasonal, Travel Outlooks, Game Cast, and more Hosted Locals







Interactive offers MPVDs a variety of APIs in multiple formats to enhance traffic, engage consumers, and keep them coming back with literally thousands of customizable options all through the set-top-box.

Current Conditions, Short Term Outlooks, Extended Forecasts

Watches, Warnings, Advisories

Interactive Maps with Local, Regional, and National Radar/Satellite with advanced overlays, point data, polygons, and more!

Social Sharing, Video on Demand Forecasts, and other API data availble







